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SUBJECT: BULGARIAN POLICE RAID PIRATE CD PRODUCER, ARREST
TEN PEOPLE

1. SUMMARY: The Bulgarian police broke up a large-scale Optical Disc Media (ODM) bootlegging operation, involving production and distribution of pirated goods. Following a well-planned investigation, the police raided two illegal production sites August 31, seizing over 70,000 pirated discs with a retail value between 364,000-936,000 Bulgarian leva (USD 228,000 - 585,000). Local industry representatives hailed the operation as a success and hope criminal cases against the 10 arrested suspects will soon follow. END SUMMARY.

2. The Ministry of Interior announced August 31 a major enforcement action against criminal organizations involved in the illegal production and distribution of copyrighted material. The police action is the culmination of a six-month joint investigation conducted by members of the Economic Police Force in Sofia, Burgas and Vratsa, who worked in cooperation with industry representatives. The enforcement activity was designed to disrupt and dismantle some of the major criminal organizations that illegally produce, distribute and trade in copyrighted software, movies, music and games.

3. Local industry representatives confirmed for us that the raids were prompted by information that they passed to police. The police simultaneously raided two production sites and warehouses in Sofia and Vratsa, and reportedly seized over 70,000 illegal CDs/DVDs containing music and movies. Police believe the investigation uncovered a major source of illegal CDs in Bulgaria. The pirated goods were sold throughout the country, predominantly in Black Sea resorts, for prices between 7 Bulgarian leva (USD 4.4) and 18 Bulgaria leva (USD 11.3). Additionally, the police seized nine computer systems, a CD burner, a printing machine, 50 CD-Rs, 27 stereos, over one million printed CD covers of top name international artists, and another 2,000 pirate CDs/DVDs in Burgas. The equipment had the capacity to produce 1000 counterfeit CDs a day.

4. Police arrested 10 people including the 38 year-old suspected organizer of the operation. Under the current Penal Code, the suspects could face imprisonment of up to three years and a fine of 1,000 - 3,000 Bulgarian leva (USD 625 - 1,875).

5. On behalf of local industry, Rozalina Apostolova, head of the local representation of the Motion Picture Association, welcomed the Ministry of Interior's latest actions against organized CD/DVD piracy in Bulgaria. She said this is an important seizure, which highlights the growing problem of pirate production in Bulgaria. According to Apostolova, the raid may be the police force's largest seizure of pirated CDs/DVDs in several years.

COMMENT: The raid has successfully disrupted - if not dismantled - what might be one of Bulgaria's larger organized IPR bootlegging rings. The seizure of such a large amount of production and the arrests of the ten people reflect the growing scale of ODM piracy and trade in Bulgaria. We are hopeful that it also represents the start of increased enforcement activities. These coordinated raids are a good example of how the national enforcement bodies together with industry representatives can successfully fight piracy. Real success, however, will depend on whether the courts now follow through with prosecutions and convictions and whether further seizures continue. END COMMENT.

BEYRLE